

SAN FRANCISCO COUNTY ECONOMIC FORECAST

San Francisco County – located on a peninsula between the San Francisco Bay and the Pacific Ocean – is one of the State's largest tourist destinations. San Francisco County has a population of 837,800 people and a total of 636,900 wage and salary jobs, making it a jobs center for a number of Bay Area counties. The per capita income in San Francisco County is \$91,922 and the average salary per worker is \$102,756.

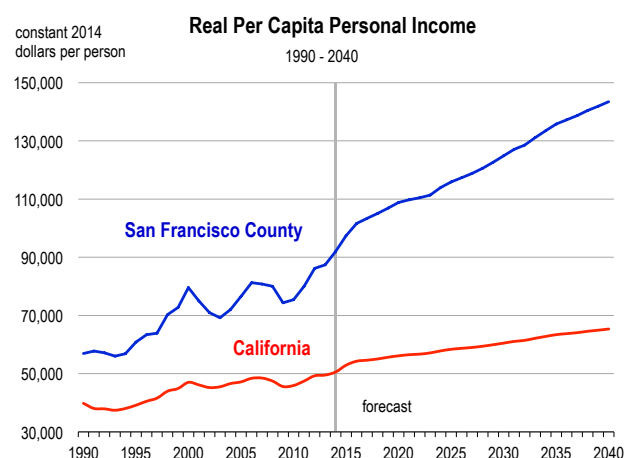
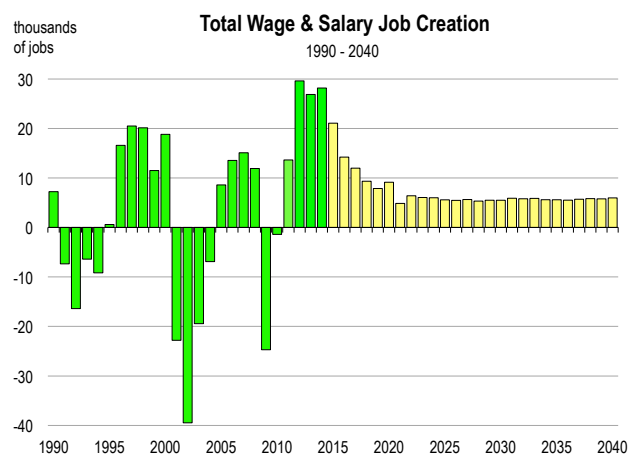
In 2014, employment in Northern California increased by 3.4 percent, whereas employment in the greater Bay Area grew by 4.0 percent. In San Francisco County, a total of 28,200 jobs were created, representing a growth rate of 4.6 percent. The unemployment rate improved substantially, falling from 5.4 percent in 2013 to 4.4 percent in 2014.

In 2014, the largest job gains occurred in professional services (+11,600 jobs), accounting for more than 40 percent of net job growth in the county. Other sectors with large increases were leisure and hospitality (+3,900 jobs), information (+2,300 jobs), and education and healthcare (+2,200 jobs). No major sectors had losses.

Between 2009 and 2014, the population of San Francisco County increased at a rate of 0.9 percent per year. Net migration accounted for 45 percent of this increase, as people moved to the region for its booming economy.

FORECAST HIGHLIGHTS

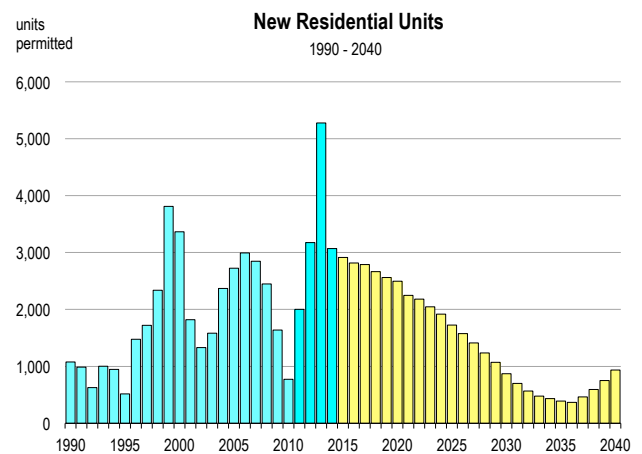
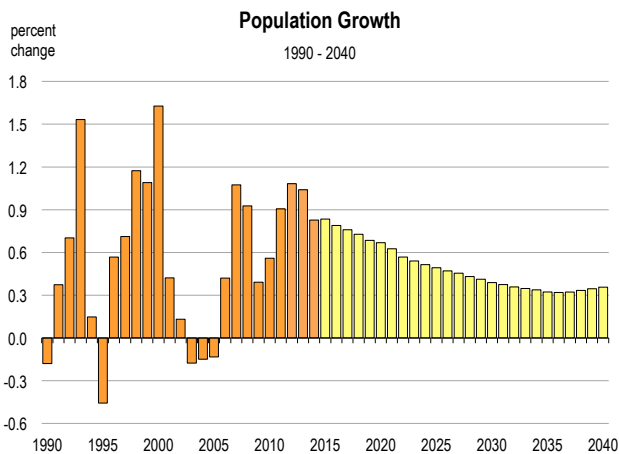
- Total employment will rise by 3.3 percent in 2015. From 2015 to 2020, the annual growth rate is expected to average 1.5 percent.
- Average salaries are currently well above the California state average, and will remain so over the foreseeable future. In San Francisco County, inflation-adjusted salaries are expected to rise by an average of 0.8 percent per year between 2015 and 2020.
- From 2015 to 2020, the principal engine of employment growth will be professional services (+26,500 jobs), which will account for half of net job creation in the county. Strong growth will also be observed in leisure services (+10,200 jobs), and education and healthcare (+5,800 jobs).
- Population growth will average 0.7 percent per year between 2015 and 2020.
- In 2015, a total of 3,700 net migrants are expected to enter the county. Over the entire 2015-2020 period, net migration is projected to average 3,000 people per year.
- Between 2015 and 2020, an average of 2,700 new housing permits will be issued. Some of these will be located on Treasure Island, where a large development project will introduce 8,000 homes to the region. Part of this project will be completed before 2020, while the remaining units will be built in later years.
- Real per capita income is forecasted to increase at a rate of 6.0 percent in 2015. Between 2015 and 2020, real per capita income will increase at a rate of 2.2 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 1.7 percent per year between 2015 and 2020.
- Industrial production is forecasted to increase by 5.3 percent in 2015. From 2015 to 2020, industrial production is expected to grow by 2.4 percent per year.



San Francisco County Economic Forecast

2006-2014 History, 2015-2040 Forecast

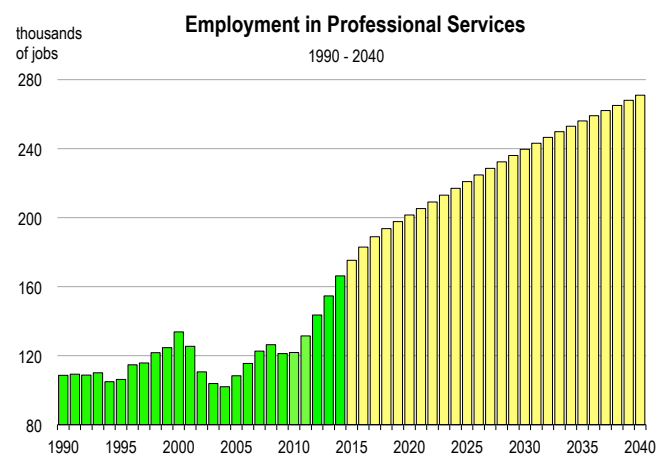
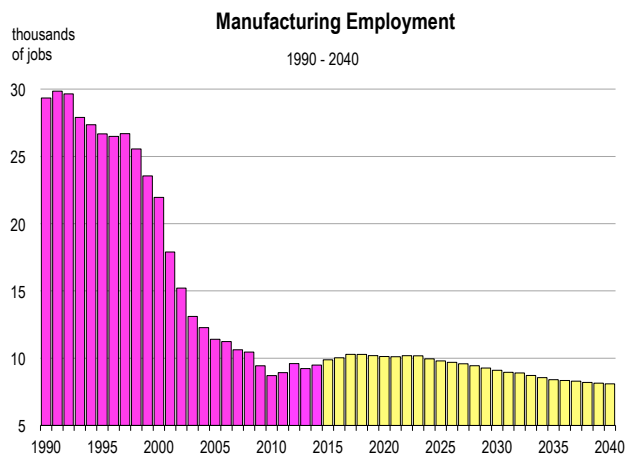
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	782,928	832	469	336.4	2,992	\$13.9	\$52.7	\$81,236	3.2	3.0	4.4	3.9
2007	791,334	5,325	474	338.5	2,848	\$14.6	\$54.9	\$80,804	3.4	1.9	4.0	4.0
2008	798,673	4,124	470	340.7	2,447	\$14.8	\$56.5	\$80,037	2.9	1.3	4.0	5.0
2009	801,799	-409	470	343.2	1,637	\$12.6	\$53.1	\$74,364	0.8	1.2	3.8	8.5
2010	806,292	1,405	470	345.2	774	\$13.4	\$54.9	\$75,459	1.3	0.8	3.7	8.7
2011	813,595	4,133	466	346.1	2,002	\$14.9	\$60.3	\$80,032	2.7	1.0	3.6	7.9
2012	822,403	5,557	471	346.4	3,175	\$16.0	\$67.4	\$86,178	2.7	1.1	3.8	6.7
2013	830,956	5,207	485	347.6	5,277	\$17.1	\$70.6	\$87,434	2.3	1.1	3.8	5.4
2014	837,831	3,990	490	349.8	3,070	\$18.5	\$77.0	\$91,922	2.8	1.1	4.0	4.4
2015	844,821	3,660	496	351.5	2,914	\$19.3	\$83.3	\$97,390	1.2	1.1	4.2	4.0
2016	851,490	3,282	502	353.1	2,817	\$20.4	\$90.3	\$101,627	3.2	1.1	4.3	3.7
2017	857,955	3,133	507	354.7	2,789	\$21.4	\$95.6	\$103,407	3.2	1.1	4.5	3.6
2018	864,198	3,058	513	356.3	2,665	\$22.4	\$100.8	\$105,031	3.0	1.1	4.6	3.5
2019	870,117	2,847	518	357.8	2,562	\$23.4	\$106.2	\$106,941	2.8	1.0	4.6	3.5
2020	875,933	2,870	523	359.2	2,497	\$24.4	\$112.0	\$108,803	2.9	1.0	4.7	3.5
2021	881,415	2,743	528	360.7	2,248	\$25.4	\$117.2	\$109,767	3.0	1.0	4.8	3.6
2022	886,420	2,373	533	361.9	2,182	\$26.4	\$122.2	\$110,414	3.1	1.0	5.0	3.6
2023	891,209	2,285	537	363.2	2,047	\$27.3	\$127.2	\$111,351	2.7	0.9	5.1	3.6
2024	895,795	2,229	541	364.3	1,918	\$28.4	\$134.2	\$113,967	2.6	0.9	5.1	3.6
2025	900,209	2,172	544	365.4	1,726	\$29.5	\$141.0	\$115,918	2.8	0.9	5.2	3.6
2026	904,446	2,096	548	366.4	1,576	\$30.7	\$147.5	\$117,370	2.8	0.9	5.3	3.6
2027	908,557	2,065	551	367.2	1,412	\$31.9	\$154.3	\$118,825	2.8	0.9	5.3	3.6
2028	912,473	2,043	554	368.0	1,236	\$33.0	\$161.4	\$120,575	2.7	0.8	5.4	3.6
2029	916,234	2,013	557	368.7	1,071	\$34.3	\$169.0	\$122,674	2.5	0.8	5.5	3.6
2030	919,794	2,015	560	369.3	871	\$35.5	\$176.7	\$124,838	2.4	0.8	5.5	3.6
2031	923,241	2,046	563	369.8	701	\$36.8	\$184.6	\$127,061	2.3	0.8	5.6	3.6
2032	926,547	2,082	566	370.2	567	\$38.1	\$192.1	\$128,549	2.5	0.8	5.7	3.6
2033	929,764	2,099	568	370.5	478	\$39.4	\$200.7	\$131,106	2.1	0.7	5.8	3.5
2034	932,902	2,096	571	370.8	434	\$40.8	\$209.7	\$133,462	2.3	0.7	5.9	3.6
2035	935,913	2,064	573	371.1	391	\$42.3	\$219.0	\$135,752	2.4	0.7	5.9	3.6
2036	938,901	2,045	575	371.3	368	\$43.9	\$228.3	\$137,251	2.8	0.7	6.1	3.6
2037	941,926	2,037	577	371.5	464	\$45.5	\$237.9	\$138,663	2.8	0.7	6.2	3.5
2038	945,069	2,061	580	371.7	594	\$47.2	\$248.3	\$140,484	2.7	0.7	6.3	3.5
2039	948,333	2,081	582	372.1	751	\$49.0	\$258.9	\$141,941	2.8	0.6	6.4	3.5
2040	951,714	2,095	585	372.5	936	\$50.8	\$269.8	\$143,444	2.8	0.6	6.7	3.5

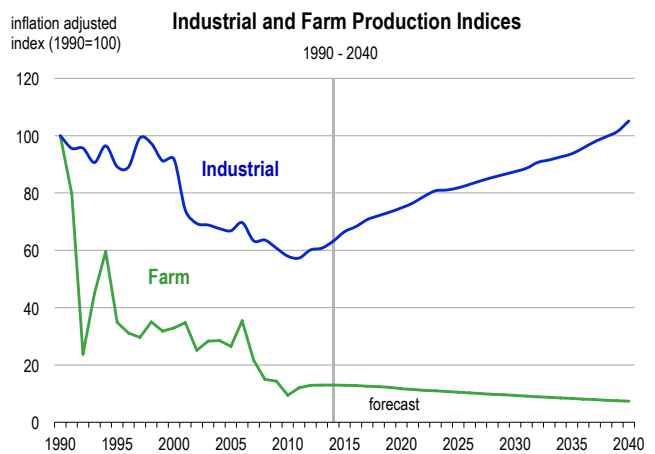
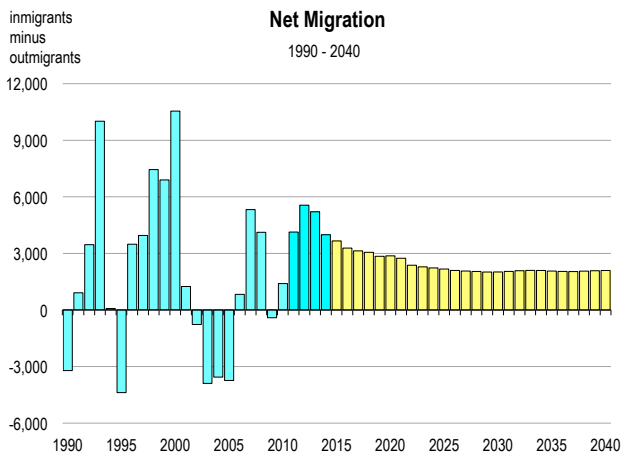
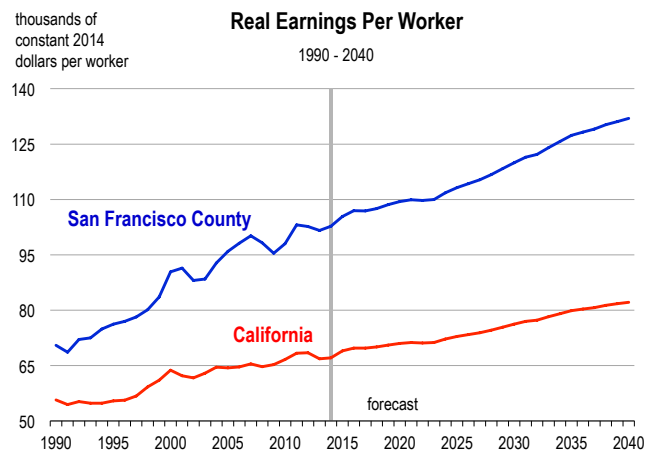
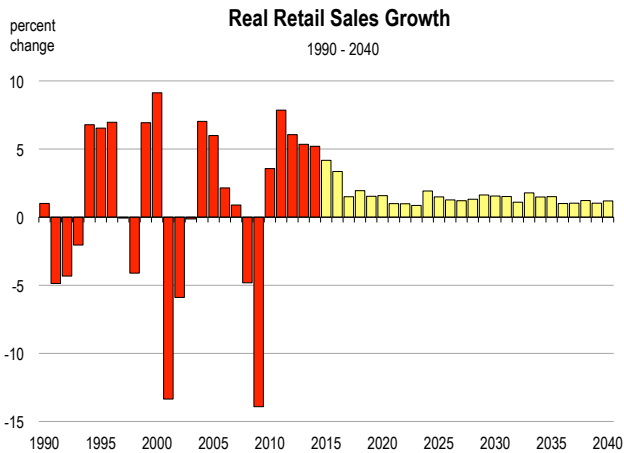


San Francisco County Employment Forecast

2006-2014 History, 2015-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2006	537.8	0.23	17.8	11.2	14.1	55.0	56.1	115.5	18.3	66.2	73.8	88.1
2007	552.8	0.24	17.8	10.6	12.4	56.4	56.6	122.6	19.7	68.2	76.4	89.9
2008	564.7	0.26	18.5	10.5	11.5	56.2	55.6	126.4	19.8	73.3	79.1	91.1
2009	540.0	0.28	15.3	9.4	11.3	52.2	50.2	121.2	19.5	73.2	76.0	89.4
2010	538.6	0.25	13.9	8.7	10.9	50.9	48.4	121.9	19.5	75.9	76.8	90.0
2011	552.2	0.18	13.6	8.9	10.8	51.6	46.9	131.5	22.7	75.1	79.4	89.8
2012	581.8	0.13	14.9	9.6	10.9	54.6	47.7	143.6	25.5	78.4	84.6	89.2
2013	608.7	0.18	15.7	9.2	11.7	57.7	48.9	154.7	25.3	85.0	87.7	88.6
2014	636.9	0.19	17.3	9.5	12.0	59.7	50.4	166.3	27.7	87.2	91.6	89.7
2015	657.9	0.19	17.6	9.9	12.3	61.0	51.4	175.3	28.6	89.1	95.8	91.0
2016	672.1	0.19	17.7	10.0	12.4	62.2	52.1	182.9	29.5	90.5	97.8	90.5
2017	684.1	0.19	17.8	10.3	12.6	62.9	52.5	188.9	30.3	91.4	100.0	90.5
2018	693.4	0.19	17.7	10.3	12.6	63.5	52.7	193.6	31.0	92.6	102.4	89.9
2019	701.3	0.19	17.7	10.2	12.5	64.0	52.8	197.7	31.5	93.7	104.4	89.2
2020	710.4	0.18	17.7	10.1	12.5	64.5	53.1	201.5	32.0	94.8	106.0	90.4
2021	715.3	0.18	17.7	10.1	12.5	64.8	52.9	205.3	32.5	96.0	106.9	88.7
2022	721.7	0.18	17.8	10.2	12.5	65.2	53.1	209.1	32.9	97.1	107.3	88.1
2023	727.7	0.18	17.8	10.2	12.5	65.4	53.2	213.0	33.3	98.2	107.6	87.7
2024	733.7	0.18	17.8	10.0	12.3	65.9	53.4	217.0	33.7	99.2	108.2	87.5
2025	739.3	0.18	17.6	9.8	12.2	66.3	53.5	220.9	34.1	100.1	108.5	87.3
2026	744.8	0.17	17.5	9.7	12.1	66.6	53.6	224.8	34.5	100.9	108.7	87.2
2027	750.4	0.17	17.2	9.6	12.0	66.9	53.7	228.6	34.9	101.7	109.1	87.1
2028	755.7	0.17	17.0	9.4	11.9	67.3	53.8	232.3	35.3	102.6	109.4	87.1
2029	761.2	0.17	16.7	9.3	11.7	67.7	53.9	236.0	35.7	103.4	109.7	87.2
2030	766.7	0.17	16.5	9.1	11.6	68.1	54.0	239.6	36.1	104.2	110.1	87.4
2031	772.6	0.17	16.2	9.0	11.5	68.4	54.1	243.1	36.6	105.1	110.9	87.5
2032	778.4	0.17	15.9	8.9	11.4	68.7	54.3	246.5	37.0	105.9	111.7	87.7
2033	784.3	0.17	15.6	8.7	11.3	69.2	54.4	249.8	37.4	106.7	112.6	87.9
2034	789.9	0.16	15.5	8.6	11.2	69.5	54.4	253.0	37.9	107.5	113.4	88.2
2035	795.4	0.16	15.3	8.4	11.0	69.9	54.5	256.1	38.3	108.2	114.3	88.4
2036	801.0	0.16	15.2	8.3	11.0	70.2	54.6	259.1	38.7	109.0	115.1	88.6
2037	806.7	0.16	15.1	8.3	10.9	70.4	54.7	262.1	39.2	109.8	115.9	88.8
2038	812.5	0.16	15.2	8.2	10.8	70.8	54.8	265.0	39.7	110.5	116.9	88.9
2039	818.2	0.16	15.3	8.1	10.8	71.0	54.9	268.0	40.1	111.3	117.7	89.1
2040	824.2	0.16	15.4	8.1	10.8	71.3	55.0	271.0	40.6	112.0	118.7	89.2





County Economic and Demographic Indicators

Projected Economic Growth (2015-2020)

Expected retail sales growth:	10.3%
Expected job growth:	8.0%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	15.8%

Expected population growth:	3.7%
Net migration to account for:	39.6%
Expected growth in number of vehicles:	5.6%

Demographics (2015)

Unemployment rate (March 2015):	3.6%
County Rank in California (58 counties):	3rd
Percent of population working age:(16-64)	63.57%

Population with B.A. or higher:	30.77%
Median Home Selling Price (2014):	\$950,000
Median Household Income:	\$69,717

Quality of Life

Violent Crime rate (2013):	850 per 100,000 persons
County Rank in California (58 counties):	58th
Average Commute Time to work (2015):	26.09 minutes

High School drop out rate (2014):	25.8%
Households at/below poverty line (2015):	7.28%

* The county ranked 1st corresponds to the lowest rate in California